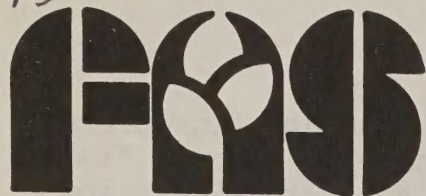


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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

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WASHINGTON, July 1--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

In the SOVIET UNION, weather conditions over important grain growing areas of the Eastern Ukraine, North Caucasus, and lower Volga have been generally hot and dry since USDA released its June 10 projection of 210 million tons for the 1981 Soviet grain crop. Winter grains probably were far enough advanced so that damage was minimal. However, spring grains in some parts of European USSR were at a more sensitive growth stage and yields have been adversely affected. Across the remainder of the European USSR, weather conditions have been favorable and the outlook is for an average to above-average grain crop. The grain growing areas of the eastern portion of the New Lands have received limited rainfall and above normal precipitation will be needed in the next few weeks to prevent substantial yield losses.

DAIRY, LIVESTOCK AND POULTRY

In the EUROPEAN COMMUNITY (EC), the Commission has fixed the quantity of high-quality fresh, chilled or frozen beef which may be imported from the United States under the 10,000-ton quota during the third quarter at 5,000 tons. License applications may be submitted from July 1 to July 10.

Effective May 1, the Commission increased the subsidy for processing skimmed milk into casein from 4.80 to 5.20 European Currency Units (ECU) per 100 kilograms of liquid skim milk. This corresponds to an increase from 78 to 85 U.S. cents per pound of casein. The 78-cent rate had been in effect since December when the rate was dropped from 81 cents per pound (in terms of current exchange rates).

Also on May 1, the Commission increased the subsidy on skimmed milk and skimmed milk powder for use in calf feed. Skimmed milk was raised from 5.0 to 5.7 ECU per 100 kilograms, the equivalent of 2.4 to 2.8 U.S. cents per pound. Skimmed milk powder was increased from 54 to 56 ECU per 100 kilograms or 26.4 to 27.3 U.S. cents per pound.

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MARY FRANCES CHUGG, Editor. Tel. (202) 447-3370, 447-2381. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. (202) 447-7937.

Despite MEXICO'S continued increase in egg production, producers are claiming that low, fixed prices for eggs are discouraging output from keeping pace with demand. Producers claim that they are currently losing close to 4 pesos per kilo (about 11 U.S. cents per dozen) because costs are running nearly 24 pesos per kilogram (about 67 U.S. cents per dozen). Eggs must be sold for 20 pesos per kilo (about 56 U.S. cents per dozen).

HORTICULTURAL AND TROPICAL PRODUCTS

MEXICO'S 1980/81 tomato output was significantly lower than in preceding years. Trade sources report that area planted for this crop was down 20 to 30 percent from the 1979/80 level. However, the improvement in prices following the freeze in Florida in January 1981 revived interest in tomato production in Mexico and plantings for the 1981/82 crop are expected to rebound to near the 1979/80 production level of approximately 1.4 million tons and area of approximately 50,500 hectares.

U.S. imports of fresh tomatoes from Mexico totaled 58,600 tons during October 1980 to April 1981, down 34 percent from the same period in the preceding season.

In AUSTRALIA, the Industries Assistance Commission (IAC) will soon begin hearings to determine if that country's variable-import duty on orange juice is sufficiently high to protect the domestic industry and if importers have been evading or transferring the duty. The current variable duty is based on a minimum value for imports of A\$2.40 per kilogram of total soluble solids (US \$1.23 per pound solids). Hearings on the duty evasion issue will begin July 14. Further hearings dealing with all aspects of the inquiry will begin in November.

COTTON

In JAPAN, the Spinners Association's (JPA) efforts to curtail cotton and synthetic yarn production through a cartel plan appear to have faltered as smaller companies refuse to participate. Although the JPA requested an extension of the original plan, which is due to expire June 30, this is unlikely to be achieved, given the absence of any government enforcement.

An alternative approach, however, is being supported by the government, which may assist the yarn industry. Representatives from the Korean and Japanese yarn industry have agreed to meet later this summer to discuss the two nation's trade situation. Korea is the major yarn exporter to Japan.

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EGYPT announced its 1981/82 cotton plantings of 504,000 hectares, slightly less than the 523,000 hectares planted during 1980/81. The cotton crop this season is progressing well, although egg masses from the cotton-leaf worm have been found about ten days earlier than last year and at higher concentrations. About 1 million young workers are presently in the cotton fields removing the egg masses for destruction. The Ministry of Agriculture reports sufficient quantities of insecticides are available for aerial application later in the season. Egypt expects another good crop this season of 2.2 million bales, a level exceeded only by the 2.4 million bales produced in 1980/81.

In TURKEY, cotton exports, now estimated at 987,000 bales for the 1980/81 marketing year (Aug.-July) have shown surprising strength in the face of an uncertain export situation. The 1980/81 estimate represents a 73-percent increase over the 1979/80 level of 570,000 bales.

A number of factors have influenced the raw cotton export situation in Turkey during the last twelve months. One major factor was a government decision in May 1980 to lower the export premium collected from cotton exporters, which has increased the competitiveness of Turkish cotton in export markets. As a result, Turkish export sales rose during the last two months of the 1979/80 marketing year. Those sales, however, were not actually shipped until the 1980/81 marketing year. Added to this carryover effect of the change in export premium was the devaluation of the Turkish lira, further enhancing the competitiveness of Turkish cotton.

On the other hand, higher cotton production costs and a decline in world cotton prices beginning in January 1981 have since reduced the competitiveness of Turkish cotton in the world market. In spite of this setback, Turkish exporters are still able to sell lower grades in small quantities and should enjoy a relatively strong year during 1980/81.

The outlook for Turkish raw cotton exports in 1981/82 also is good.

INTERNATIONAL WEATHER AND CROP SUMMARY

The weather information previously published each week in this section is now available by subscription to the WEEKLY WEATHER AND CROP BULLETIN. Yearly rates are \$13 domestic and \$18 foreign airmail. Checks should be made payable to the U.S. Department of Commerce (NOAA). Copies may be obtained from the Joint Agricultural Weather Facility of USDA and NOAA, U.S. Department of Agriculture, 3526-South, Washington, D.C. 20250. Tel. (202) 447-7917.

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	June 30, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWRS-12.5%.....	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	189.00	5.14	-14
U.S. No. 2 DHW/HW: 13.5%.....	197.00	5.36	-11
U.S. No. 2 S.R.W.....	143.00	3.89	-19
U.S. No. 3 H.A.D.....	192.00	5.23	-20
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	146.00	3.71	-18
U.S. No. 2 Sorghum 2/.....	148.00	3.76	-10
Feed Barley 3/.....	132.00	2.87	-20
Soybeans:			
U.S. No. 2 Yellow.....	275.50	7.50	-23
Argentine 4/.....	267.50	7.28	-29
U.S. 44% Soybean Meal (M.T.)..	234.50	--	-3.50 5/
EC Import Levies			
Wheat 6/.....	106.75	2.91	+27
Barley.....	82.90	1.80	+04
Corn.....	69.90	1.78	+08
Sorghum.....	67.40	1.71	+04

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis July delivery.

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